

60-3124/a

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30 APR 1960

Miss Priscilla Mason
Foreign Service Educational Foundation
1906 Florida Avenue, N. W.
Washington 9, D. C.

Dear Miss Mason:

Thank you very much for your kind letter of 26 April and for the enclosed Minutes of the recent meeting of the Trustees of the Foreign Service Educational Foundation which I read with a great deal of interest.

I am sorry that I was unable to be at this meeting as I had planned to attend, but something came up at the last minute which prevented me from joining you.

With every best wish.

Sincerely,

Allen W. Dulles
Director

O/DCI/ [] bak(29 Apr. 60)

Distribution:

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(EXECUTIVE SECRETARY FILE)

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(EXECUTIVE SECRETARY FILE)

FOREIGN SERVICE EDUCATIONAL FOUNDATION

1906 FLORIDA AVENUE, N. W.
WASHINGTON 9, D. C.

66-3124

April 26, 1960




Mr. Allen W. Dulles
Post Office Box 1513
Main Post Office
Washington, D.C.

Dear Mr. Dulles:

All of us were extremely sorry that it was not possible for you to attend the recent meeting of the Trustees of the Foreign Service Educational Foundation and of the members of the Advisory Council of the School. I am sure, however, that you will find the enclosed Minutes covering the various reports on recent developments at the School, as well as a most enlightening report by Dr. Eisenhower's Assistant on the progress of our ten-year development program, of unusual interest.

If you would like further information concerning any particular phase of our activities, please let me know.

Sincerely yours,


Priscilla Mason
Secretary

Enclosures

FOREIGN SERVICE EDUCATIONAL FOUNDATION

Meeting of Board of Trustees

April 14, 1960

The meeting was called to order at 6:00 p.m. at 1830 19th Street, N.W., in accordance with a notice by the Secretary.

Present: Paul H. Nitze, Chairman; William McC. Martin, Jr., Elsa W. Mason, Samuel W. Meek, Morehead Patterson, Helen P. Philbin, Wayne C. Taylor, Philip W. Thayer, Philip H. Watts, and Priscilla Mason, Secretary. Present by invitation were: Robert E. Hall, Assistant to the Dean; Keith Spalding, Assistant to the President of the University; and Arnold Wolfers, Director of the Washington Center of Foreign Policy Research.

At the request of the Chairman, Dean Thayer reported on recent developments at the School. He noted that this year's enrollment of 96 is the largest in the history of the School. The group includes 10 foreign students, 6 trainees from the Foreign Service, and one from the J. Walter Thompson Company. One student is attending under a Woodrow Wilson Fellowship, 1 under a Ford Foundation grant, and 4 are holders of National Defense Foreign Language Fellowships. On the Faculty side, Professor William C. Johnstone has returned from two years in Rangoon and has resumed the teaching of the courses on South and Southeast Asia; Professor E.A.J. Johnson, who has been Visiting Professor of Economics at the Bologna Center for the past three years, is offering courses on the American and Western European economies; and one of the School's own graduates, Helmut Sonnenfeldt, now Chief of the Soviet Foreign Branch of the Office of Research and Analysis for the Sino-Soviet Bloc in the Department of State, is giving one of the Soviet courses. Also teaching in the School are two of the Research Associates at the Washington Center of Foreign Policy Research, Roger Hilsman and Ralph McCabe.

The Institute on ICA Development Programming is concluding its fourth successful session, and there appears to be every reason to believe that the training contract will be renewed beyond the present May, 1961, termination date.

With regard to the School's overseas activities, Dean Thayer noted that the Bologna Center also has the largest enrollment in its history with 56 students attending. Good progress is being made on the new Center building, and there is every expectation that it will be completed by April 1961. In view of Dr. Eisenhower's recent illness which necessitated the cancellation of the cornerstone-laying ceremonies at the end of March, it has now been decided to hold dedication ceremonies in March or April 1961 with Dr. Eisenhower and Dean Thayer going over at that time. Unsettled conditions in Burma and Indonesia have made it necessary to curtail our activities in those areas. The School has, however, been approached by the Department of State with a proposal to set up pilot workshop projects in Burma, India and Indonesia under the terms of PL 480.

Dean Thayer reported further that the Program for Corporation Executives had had a most successful year, with a total of 702 attending, of

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whom 347 were representatives of business corporations, 175 were from government, and 181 were individuals or representatives of foundations and private research organizations. Income from fees charged representatives of non-associated corporations was the largest in the history of the conferences, and totalled \$10,475. Another development of particular interest has been the selection of the School by the Department of Health, Education and Welfare as one of 7 University Centers for Middle East Studies to be granted financial aid during the coming year under the provisions of the National Defense Education Act.

Mr. Nitze said that he would like to report also that the Rockefeller Foundation had approved a grant for one year for a program for training foreign service officers of underdeveloped countries. This program will be carried out in three parts at l'Ecole d'Etudes Politiques at the University of Geneva, at Columbia University, and at SAIS. SAIS will be responsible for a pilot project consisting of special seminars for Embassy officers stationed in Washington.

Mr. Nitze next presented the financial statements for SAIS and the Foundation, copies of which are attached to these Minutes. He called particular attention to the note on the SAIS Revised Budget Estimates which showed that as of February 29th \$13,620 in new monies would need to be raised prior to June 30 if a deficit was to be avoided. As of this date, additional income from Corporate Program fees and some possible savings on the expenditure side made it appear likely that the deficit would be in the neighborhood of \$10,000.

Mr. Nitze next asked Mr. Hall to report on fund-raising activities. Mr. Hall said that of the 58 companies and company foundations solicited since June 1959, 21 have contributed, 11 have refused financial help, and 26 have not yet made a decision. of the 21 which have contributed, 17 gave last year, and 4 are new donors. Fifteen small private foundations also have been solicited, but with negative results to-date. During the same period he had visited personally 56 companies and foundations on 9 fund-raising trips to New York, Philadelphia, Wilmington and Pittsburgh. Mr. Hall said that one of the most encouraging aspects of the School's fund-raising activities had been the enthusiasm of the alumni and the substantial increase in their giving. In response to this year's roll call, 281 donors had given a little more than \$3,000 as compared to 141 donors giving \$1,852 last year. Within the last few weeks an alumnus had sent a check for \$500 with the request that it be used to establish a SAIS Alumni Student Loan Fund and that other alumni be invited to participate in the project. Other alumni are being solicited on a selected basis, and during the past week 3 alumni have contributed an additional \$135 to the Fund.

Mr. Meek asked if any thought had been given to holding a luncheon in New York for corporation executives whose companies might be potential donors to the School, and indicated his willingness to help in such an undertaking.

Mr. Nitze next asked Mr. Spalding to report on the ten-year development program. Mr. Spalding said that nearly a year and a half of intensive

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work in planning and designing an improved program for the School of Advanced International Studies and for the Washington Center of Foreign Policy Research as an integral part of that program had resulted in pledges amounting to \$3,750,000 toward the goal of \$4,247,000.

Of the amount received, \$3,000,000 is a grant from the Ford Foundation, of which \$800,000 may be used for building and the remaining \$2,200,000 for program purposes including salary increases, additional faculty and visiting professors, expansion of research, an increased fellowship program, improved library facilities, and supporting items. The Ford grant already has been transmitted to the University for investment with the understanding that the interest accrued be reserved for the continuation of the program after the initial 10-year grant period. Permissions also has been given to use a portion of the program funds for the construction of the new building, should this prove necessary, on the condition that any portion so used be repaid as though borrowed. In addition to the Ford grant, \$500,000 has been promised by the Rockefeller Foundation, the money to be made available when matching funds from other sources have been obtained. Two further conditions of this grant, as of the Ford grant, are the finding of a suitable site and the raising of substantially the total goal of \$4,257,000 prior to the expenditure of any of the funds.

A third grant which has been received is one from The Carnegie Corporation in the amount of \$250,000, payable at the rate of \$50,000 a year over the next five years, and possibly renewable. This grant is to be used entirely in support of research.

This leaves \$497,000 still to be raised to meet the goal, and it is believed that an application already submitted to one foundation for \$287,000 in support of the Latin American portion of the program has an excellent chance of success. Mr. Nitze also is negotiating with a fifth foundation for substantial support, and these negotiations also are progressing well.

Mr. Spalding emphasized that it had been explicit in all the applications that a vigorous development and fund-raising effort would be maintained and that the School's program would not become solely dependent on these large grants. Both the University and the School administrations are constantly on the alert for new sources of support, and there already is reason to believe that the confidence that has been expressed in this connection is well founded. The planning is long range both with respect to financing and to programming, and already being considered as serious possibilities for development are an undergraduate program in international affairs at Homewood in preparation for graduate work at SAIS, the establishment of the training program for young foreign diplomats already referred to, as well as mid-career training programs for U.S. Government officials. As a result of these joint efforts, the School and the University are growing closer together, to the enhancement of both.

At Mr. Nitze's request, Mr. Watts next reported on the status of negotiations being carried on for a building site. He believed that the chances of our being ultimately successful in obtaining the site we have in mind

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were good, but that considerably more time would be required.

Reporting for the Washington Center of Foreign Policy Research, Dr. Wolfers said that the past year had been one of both opportunity and achievement. The Center had been chosen as one of 14 institutions to make foreign policy studies for the Senate Foreign Relations Committee, and as a result had produced a study on "Technological Development, Military Strategy, and Foreign Policy." Also published had been a volume on "Alliance Policy in the Cold War," by the Johns Hopkins Press. At the present time members of the Center staff are contributing to a study program being conducted by Carnegie in the fields of national security, international politics and problems of the new states. It is anticipated that members of the School faculty will work closely with the Center on the problems of the new states.

During the current year Research Associates at the Center in addition to Mr. Nitze and himself have included: Robert C. Good, Roger Hilsman, James E. King, Charles Burton Marshall, Ralph McCabe, Hans J. Morgenthau, and Richard Sterling. Gerald Freund and Robert W. Tucker have been participating in the work of the Center as Research Consultants, and William A. M. Burden, Jr., and Ellen Guild as Research Assistants.

For the coming year, Dr. Wolfers asked and received approval for his recommendations to the President of the University for the appointment as Research Associates of Professor George Liska of the University of Chicago to replace Professor Morgenthau and of Reinhold Neihbur for two months. Dr. Wolfers said that it was anticipated that all of the other Research Associates would remain with the Center for varying portions of the coming year.

There being no further business, the meeting adjourned at 7:15 p.m.

Priscilla Mason
Secretary

SCHOOL OF ADVANCED INTERNATIONAL STUDIES

Revised Budget Estimates as of February 29, 1960

	<u>1959-60 Proposed Budget</u>	<u>Actual to 2/29/60</u>	<u>Estimated 4 months</u>	<u>Savings or (Loss)</u>
<u>INCOME:</u>				
Tuition and Fees	\$ 84,400	\$103,012.50	(300.00)	\$ 18,312.50
Room Rentals	6,500	6,823.00	-	323.00
Corporate Program Fees	12,800	5,825.00	2,000.00	(4,975.00)
Overhead:				
I.C.A.	51,896	31,931.75	19,964.25	-
Bologna Center	14,500	14,500.00	-	-
Research Center	3,500	3,803.00	-	303.00
Woodrow Wilson Fellowship	2,000	2,000.00	-	-
Senate Fgn.Rels. Com.	-	1,496.47	-	1,496.47
Strategy Research Grant	-	2,675.00	-	2,675.00
Falk Fdn. Grant	-	1,000.00	-	1,000.00
Southeast Asia Program	1,500	1,000.00	-	(500.00)
Contributions				
Bolton Fellowship	1,800	1,800.00	-	-
Meyer Fdn. Fellowship	1,500	1,500.00	-	-
Crown Zellerbach Fellowship	-	3,000.00	-	3,000.00
Concora Fdn. Fellowship	-	3,000.00	-	3,000.00
For African Studies	18,000	18,000.00	-	-
Unrestricted - direct or thru' FSEF Fdn.	177,764	99,160.60	45,360.49*	(33,242.91)
Alumni Roll Call	-	2,815.27	184.73	3,000.00
Miscellaneous	-	399.67	1,175.33	1,575.00
	<u>\$376,160</u>	<u>\$303,742.26</u>	<u>\$ 68,384.80</u>	<u>\$ (4,032.94)</u>
<u>EXPENSES:</u>				
Share of Univesity Expense (Original Estimate)	\$ 17,697	\$ 11,800.00	\$ 5,897.00	-
Administration	81,857	52,387.87	29,518.13	(49.00)
Fellowships	28,800	23,762.50	1,237.50	3,800.00
Instruction	142,626	91,280.06	54,779.94	(3,434.00)
Library	28,200	17,206.43	10,098.86	894.71
Plant	29,880	19,590.85	8,289.15	2,000.00
Dormitory	5,900	3,650.74	2,249.26	-
Development Program	17,700	9,261.79	7,816.98	621.23
Corporate Program	23,500	16,281.51	7,018.49	200.00
	<u>\$376,160</u>	<u>\$245,221.75</u>	<u>\$126,905.31</u>	<u>\$ 4,032.94</u>

* Of the \$45,360 estimated or required to be raised at February 29, 1960, \$9,000 is available for transfer from the FSEF. In addition, \$18,740 has been contributed to the School during the period March 1st to April 14th leaving \$17,620 to be raised prior to June 30th to avoid a deficit. Of this amount only \$4,000 is reasonably assured.

CONTRIBUTIONS TO FSEF AND SAIS FOR REGULAR SAIS BUDGET

	<u>Received 1957-58</u>	<u>Received 1958-59</u>	<u>Received to March 31, 1960 on 1959-60</u>
American Chicle Company	\$ 500*	\$ 200*	
American and Foreign Power Co.	1,000*	1,000*	\$ 500.
American Metal Climax Fdn., Inc. (for African Studies)			1,000
Arabian American Oil Co.	10,000	10,000	
Blaw Knox Co.		50	50
Mrs. Frances P. Bolton	12,000		
For Bolton Fellowship	2,049.35 1,800	13,587.28 1,800	14,000 1,800
William A. M. Burden		2,500 **	
Edward B. Burling	2,000*	2,203.02*	4,134.26 **
California Texas Oil Corp.	3,000* 3,000*	2,000*	2,000
Chase Manhattan Bank	1,000 1,000		
Chicago Bridge & Iron Co.		500	
Container Corp. of America (Concora Foundation)	2,500*	2,500*	3,000
Continental Can Co.	500*	500*	
Continental Ore Co. (Ridgefield Foundation)	1,000*	3,000*	3,000
Crown Zellerbach Foundation	1,000 1,000		3,000
E.I. Dupont de Nemours	750*		
C. Douglas Dillon	11,808.21	12,658.32	12,428.58
Chas. Engelhard Fdn. (for African Studies)			<u>1,000</u>
To be carried forward	\$55,907.56	\$52,498.62	\$45,912.84

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Contributions received since March 31, 1960:

American Chicle Co.	\$ 200.00*
ARAMCO	10,000.00
William A.M. Burden	1,500.00
Gulf Oil Company	1,000.00
Morehead Patterson	3,004.00

FOREIGN SERVICE EDUCATIONAL FOUNDATION

Balance Sheet as of March 31, 1960

	<u>General Funds</u>	<u>Endowment Funds</u>	<u>Total</u>
Assets:			
Cash	\$ 6,971.49	\$ 3,089.89	\$ 10,061.38
Securities		<u>164,119.84</u>	<u>164,119.84</u>
	<u>\$ 6,971.49</u>	<u>\$167,209.73</u>	<u>\$174,181.22</u>
Reserves:			
Mason Fund Principal		\$150,000	\$150,000
Herter Fund Principal		14,165.81	14,165.81
Herter Fund Income		2,043.92	2,043.92
Unrestricted Surplus:			
Surplus at June 30, 1959		1,618.34	1,618.34
Receipts over Disbursements, July 1, 1959 to March 31, 1960	<u>5,353.15</u>	<u>1,000</u>	<u>6,353.15</u>
	<u>\$ 6,971.49</u>	<u>\$167,209.73</u>	<u>\$174,181.22</u>

	<u>General Fund</u>	<u>Endowment Funds</u>
Balance, June 30, 1959	\$ 1,618.34	\$165,518.31
Additions, July 1, 1959 March 31,		
Unrestricted contributions	\$ 13,750	
Proceeds of sale of Stock Rights, added to Herter Fund Principal		1.71
Dividend Income :		
Herter Fund		689.71
Mason Fund		1,000.
Miscellaneous Income	3.15	
	<u>\$ 13,753.15</u>	<u>1,691.42</u>
	<u>\$ 15,371.49</u>	<u>\$167,209.73</u>
Deductions, July 1, 1959 to March 31, 1960:		
Audit and Legal	\$ 150.	
Transfer to Johns Hopkins University	8,250	
	<u>8,400</u>	
Balance, March 31, 1960	<u>\$ 6,971.49</u>	<u>\$167,209.73</u>

* Transferable at March 31, 1960

Herter Income (for fellowship)	\$1,000
Mason Income (unrestricted)	1,000
Unrestricted Funds	<u>7,000</u>
Available for transfer	\$9,000